



City of El Paso FY2010 Proposed Budget Overview

Joyce Wilson, City Manager





FY 2010 Proposed Budget

Operating and Maintenance Budget (2005 – Present)

- Grown by an average of 4% or \$10.24 million annually through 2009

Growth fueled by:

- New facilities and related operating costs
- Expansion of public safety services and compensation increases associated with union contracts
- Investments in streets, drainage, and expanding street network due to new development



FY 2010 Proposed Budget

Capital Investments (2005 – Present) Nearly \$424 million

- 3 new fire stations
- 1 replacement and 2 new Branch libraries
- Doubled the size of the Main Library
- 3 new recreation facilities
- 105 acres of parkland
- Built and opened a new Museum of History and renovated the Plaza Theatre

FY2010

- 2 new major recreation facilities (complete construction)
- 10 acre Africa expansion to the El Paso Zoo



FY 2010 Proposed Budget

	Adopted FY09	Adjusted FY09	Proposed FY10	\$ Variance Proposed FY10/ Adjusted FY09	% Variance Proposed FY10/ Adjusted FY09
General Fund	315,826,293	308,731,156	312,247,054	3,515,898	1.14%

FY2009

- Revenue and expenditure forecasts were adjusted for economic slowdown
- 1st Quarter FY09 - economy plummeted nationally
- Economic situation – led to reduction of \$11 million in operations from FY09 adopted budget of \$315,826,293



FY 2010 Proposed Budget

	Adopted FY09	Proposed FY10	\$ Variance	% Variance
All Funds	689,358,986	673,274,725	(16,084,261)	-2.33%
General Fund	315,826,293	312,247,054	(3,579,239)	-1.13%

FY2010

- Conservative approach to revenues
- Departments given targets at or below FY09 level
- Priorities include: health and public safety, street and public rights of way maintenance and cleaning, and information technology investments



FY2010 Proposed Budget General Overview

All Funds

- \$673,274,725 overall budget
- Decrease of \$16,084,261 or 2.33%

General Fund

- \$312,247,054 overall budget
- Decrease of \$3,579,239 or 1.13%
- Compensation and contract requirements
 - Absorbing an approximate \$10,217,780 in additional inflation costs
 - When taken into consideration real reduction is closer to \$13,797,019

FTE's

- 6,142.91 total employees
- Decrease of 86.10 from FY09
- 20% of those slated for elimination are presently filled
- 58.5 vacant positions only partially funded



FY2010 Proposed All Funds Appropriations by Function

Function	Adopted FY08	Adopted FY09	City Mgr's Proposed FY10	Difference FY09/10
GENERAL GOVERNMENT	\$8,299,612	\$8,434,481	\$7,680,182	-8.94%
DEVELOPMENT & INFRASTRUCTURE	\$104,476,806	\$111,593,303	\$106,549,681	-4.52%
FINANCE*	\$138,751,048	\$140,357,649	\$142,030,879	1.19%
PUBLIC SAFETY	\$194,286,798	\$198,985,557	\$201,861,263	1.45%
MOBILITY SERVICES	\$128,654,998	\$144,093,834	\$128,290,116	-10.97%
QUALITY OF LIFE	\$89,445,148	\$85,894,162	\$86,862,604	1.13%
Grand Total	<u>\$663,914,410</u>	<u>\$689,358,986</u>	<u>\$673,274,725</u>	<u>-2.33%</u>

* \$4,009,653 *Debt Service increase*



FY2010 Proposed All Funds

Department	Adopted FY09	City Mgr's Proposed FY10	% Variance
Airport	48,565,064	36,120,322	-25.62%
City Attorney	5,184,230	4,563,823	-11.97%
Communications	7,447,455	7,038,984	-5.48%
Community Development	15,586,233	16,140,741	3.56%
Department of City Manager	1,933,445	1,759,869	-8.98%
Dept. of Museums & Cultural Affairs	4,258,144	3,847,647	-9.64%
Development Services	6,274,376	6,444,400	2.71%
Economic Development	2,638,700	2,466,661	-6.52%
El Paso Performing Arts Center	10,954,143	11,483,879	4.84%
Engineering Services	3,768,613	3,602,080	-4.42%
Environmental Services	52,847,531	48,764,190	-7.73%
Financial Services	3,200,446	3,102,732	-3.05%
Fire	75,857,098	77,892,330	2.68%
General Services	34,693,798	33,117,275	-4.54%
Human Resources	2,326,992	1,976,329	-15.07%
Information Technology	11,370,285	12,155,075	6.90%
International Bridges	17,247,841	16,350,970	-5.20%
Library	9,069,438	8,447,256	-6.86%
Mayor & Council	1,316,806	1,356,490	3.01%
Metropolitan Planning Office	1,673,393	1,843,725	10.18%
Municipal Clerk	5,938,852	5,582,977	-5.99%
Non-Departmental	127,910,522	130,448,810	1.98%
Office of Management & Budget	2,413,665	2,044,254	-15.30%
Parks & Recreation	21,620,178	20,743,773	-4.05%
Police	109,742,152	111,346,972	1.46%
Public Health	19,607,746	20,215,492	3.10%
Street Department	14,991,460	14,366,326	-4.17%
Sun Metro	61,616,076	59,608,773	-3.26%
Tax	4,506,024	4,458,754	-1.05%
Zoo	4,798,280	5,983,816	24.71%
Grand Total	689,358,986	673,274,725	-2.33%



FY2010 Proposed General Fund Appropriations by Function

Function	Adopted FY08	Adopted FY09	City Mgr's Proposed FY10	Difference FY09/10
GENERAL GOVERNMENT	\$7,914,531	\$8,124,226	\$7,380,190	-9.16%
DEVELOPMENT & INFRASTRUCTURE	\$36,711,637	\$38,408,339	\$38,710,974	0.79%
FINANCE	\$22,371,535	\$19,967,978	\$17,766,737	-11.02%
PUBLIC SAFETY	\$178,991,172	\$188,757,617	\$191,120,841	1.25%
MOBILITY SERVICES	\$15,155,144	\$14,991,460	\$14,366,326	-4.17%
QUALITY OF LIFE	\$30,516,771	\$45,576,673	\$42,901,986	-5.87%
Grand Total	\$291,660,790	\$315,826,293	\$312,247,054	-1.13%



**FY2010
Proposed
General
Fund**

Departments	Adopted Budget 2009	Adjusted Budget 2009 May	City Mgr's Proposed 2010
City Attorney	4,873,975	5,176,186	4,263,831
Communications	7,447,455	7,447,455	7,038,984
Community Development	595,186	543,999	520,698
Department of City Manager	1,933,445	1,825,802	1,759,869
Dept. of Museums & Cultural Affairs	2,347,729	2,254,599	2,214,804
Development Services	6,274,376	6,352,916	6,444,400
Economic Development	1,909,793	1,946,385	1,828,083
Engineering Services	3,768,613	3,701,754	3,602,080
Financial Services	2,964,197	2,870,813	2,859,698
Fire	72,453,091	70,984,154	74,449,174
General Services	15,629,942	16,404,932	15,340,143
Human Resources	2,326,992	2,241,786	1,976,329
Information Technology	10,825,615	10,769,031	11,496,268
Library	8,470,606	8,051,501	7,798,645
Mayor & Council	1,316,806	1,277,299	1,356,490
Municipal Clerk	4,993,852	4,878,461	4,637,977
Non-Departmental	8,861,332	6,774,402 *	7,238,519
Office of Management & Budget	1,309,433	1,254,390	1,233,437
Parks & Recreation	21,486,742	21,056,874	20,496,031
Police	103,863,219	101,769,720	104,994,706
Public Health	9,223,638	8,686,068	8,501,875
Street Department	14,991,460	14,541,460	14,366,326
Tax	4,506,024	4,461,062	4,458,754
Zoo	3,452,772	3,460,107	3,369,933
GRAND TOTAL	<u>315,826,293</u>	<u>308,731,156</u>	<u>312,247,054</u>

* Excludes Phase 1 and Phase 2 Budget reductions totaling \$11,193,064



All Funds FTE Positions & Changes by Department

Department	Adopted FY 2009	Proposed FY 2010	Difference Increase/ (Decrease)
Airport	241.40	236.70	(4.70)
City Attorney	39.20	39.00	(0.20)
City Manager	19.10	16.10	(3.00)
Communications	159.00	173.00	14.00
Community and Human Development	58.55	58.01	(0.54)
Convention and Performing Arts Center	0.00	0.70	0.70
Development Services	135.10	115.00	(20.10)
Economic Development	14.78	16.68	1.90
Engineering Services	88.12	86.62	(1.50)
Environmental Services	330.90	330.20	(0.70)
Financial Services	58.80	53.50	(5.30)
Fire	924.40	930.57	6.17
General Services	146.40	139.60	(6.80)
Human Resources	42.20	34.20	(8.00)
Information Technology	65.00	66.00	1.00
International Bridges	54.54	54.69	0.15
Library	193.01	175.56	(17.45)
Mass Transit - Sun Metro	668.46	695.96	27.50
Mayor and Council	25.00	24.00	(1.00)
Metropolitan Planning Organization	13.00	13.00	0.00
Municipal Clerk	95.20	88.30	(6.90)
Museums & Cultural Affairs	62.00	60.50	(1.50)
Non - Departmental	3.35	3.00	(0.35)
Office of Management and Budget	30.05	27.60	(2.45)
Parks and Recreation	390.30	370.57	(19.73)
Police	1626.15	1589.43	(36.72)
Public Health	353.30	358.72	5.42
Street	260.00	250.00	(10.00)
Tax	24.50	24.50	0.00
Zoo	107.20	111.20	4.00
FTE Grand Total	<u>6,229.01</u>	<u>6,142.91</u>	<u>(86.10)</u>



Compensation

- Competency increases – 2%
 - Released in 4th Quarter if meeting or exceeding revenue forecasts
- Police & Fire Collective Bargaining Contracts
 - Delay of Cost of Living increases resulting in savings of \$1,825,897
 - Even with deferrals, financial impact of contractual compensation increases is \$5,103,924



Health and Public Safety

- Police and Fire centralized emergency call center
- 311 Citywide general communications call center
- **Police Department**
 - \$104,994,706 overall General Fund budget
 - Increase of \$1,131,487 or 1.09%
 - Allows for one academy of 25 new officers



Health and Public Safety

- **Fire Department**
 - \$74,449,174 overall General Fund budget
 - Increase of \$1,996,083 or 2.76%
 - Implement certain recommendations of Matrix Operations Review
 - One pre-certified paramedic academy of 15
- **Public Health Department**
 - \$8,501,875 overall General Fund budget
 - Decrease of 7.83%
 - \$1.3 million increase in Federal and State funding



Mobility Services

Airport

- \$26,327,911 operating budget excluding transfers
- Decrease of \$997,343 or 3.6%
- Completion of Terminal Renovations
- Optimize non-aviation revenues and control costs
- Collaborate with Economic Development to attract master developer for Science & Technology Park and resort hotel

International Bridges

- Decrease in Transfer to General Fund of \$967,769
- Proposing to increase pedestrian crossing fee from \$0.35 to \$0.50
 - Fee increase will raise \$776,031 additional revenue



Mobility Services

Street Department

- \$14,366,326 overall budget
- Decrease of \$625,134 or 4.17%
- Commitment to unpaved right-of-way cleaning and herbicide and median maintenance

Mass Transit – Sun Metro

- \$59,608,773 overall budget
- Decrease of 3.2%
- Proposing rate increase up to \$1.50 effective Jan. 2011
- Focus on improving infrastructure
 - SMART 101 route, 4 new terminals, 8 new buses



Development & Infrastructure Services

- **Information Technology**
 - Increase of \$670,653 to General Fund budget
 - Increase due to staffing, contract requirements, and new technology infrastructure
 - Supporting implementation of several key recommendations of IT Strategic Plan
- **Environmental Services**
 - Evaluate revenue enhancement options
 - Implementation of Flow Control for commercial solid waste providers
 - Franchise Fee option in lieu of flow control
 - Solicitation of interest in purchasing city's landfills or a lease arrangement
- **General Services**
 - Decrease of \$1,418,868 in the fuel budget
 - Focus on infrastructure and energy conservation through partnership with Johnson Controls



Quality of Life Services

- **Library**
 - General Fund budget decrease of \$671,961 or 7.9%
 - Will retain positions vacant, delete positions, reduce several operating accounts and temporarily decrease budget for books
- **Parks and Recreation**
 - \$20,496,031 overall General Fund budget
 - Decrease of \$990,711 or 4.6%
 - Standardize operating hours, reduce operating hours at aquatic facilities and redesign fee schedule
 - Addition of 44 acres of new parkland via subdivision parkland dedication process during FY2010
- **Zoo**
 - \$5,983,816 overall budget
 - Increase of \$1,185,536 or 24.7%
 - Increase to support 10 acre Africa expansion
 - Proposing fee increases to cover costs associated with expansion



Debt Service

- Increase due to sale of:
 - Pension Obligation Bonds in the amount of \$110 million
 - Certificates of Obligation in the amount of \$57,615,000
 - Refinancing of \$17,445,000



FY2010 Proposed All Funds Revenue

Revenue Source	Adopted FY09	City Mgr's Proposed FY10	Difference FY09/10
Taxes	302,718,694	308,782,894	2.00%
Franchises	60,821,665	63,216,010	3.94%
Service Revenues	104,838,615	101,185,687	-3.48%
Operating Revenues	108,172,522	105,233,267	-2.72%
Non-Operating Revenues	29,031,044	17,142,619	-40.95%
Intergovernmental Revenues	34,123,975	37,934,132	11.17%
Transfers In	49,652,471	39,780,116	-19.88%
Grand Total	689,358,986	673,274,725	-2.33%



FY2010 Proposed General Fund Revenue

Revenue Source	Adopted FY09	City Mgr's Proposed FY10	Difference FY09/10
Taxes	196,864,999	199,178,341	1.18%
Franchises	43,139,604	43,088,342	-0.12%
Service Revenues	9,746,660	10,257,953	5.25%
Operating Revenues	32,354,189	28,123,143	-13.08%
Non-Operating Revenues	7,454,175	5,750,840	-22.85%
Intergovernmental Revenues	2,917,064	3,344,125	14.64%
Transfers In	23,349,602	22,504,310	-3.62%
Grand Total	315,826,293	312,247,054	-1.13%



FY2010 Preliminary Tax Rate

	FY 2009 <u>Adopted</u>	FY2010 <u>Proposed</u>
Estimated O&M Tax Levy	0.429	0.421
<u>Estimated Debt Tax Levy</u>	0.204	0.208
Estimated Proposed Tax Rate	0.633	0.629
Estimated Effective Tax Rate		0.619

- Based on an analysis of the Preliminary Valuation Rec'd 6/23/2009 of \$30,904,710,829.



FY2010 Revenue Adjustments

- Property Tax – projected to increase by \$3,615,328 or 2.95%
- Sales Tax – projected to decrease by \$1,264,583 or 1.8%
- Municipal Court fines reduced by \$1,800,552



FY2010 Revenue Adjustments

- **Environmental Services**
 - Need to evaluate alternative revenue enhancements
 - Franchise Fee: estimated that a 7.5% franchise fee will generate \$5.25 million annually
 - Flow Control: Study estimates flow control would generate an additional \$3.5 to \$4 million
- **Development Services**
 - Proposing to institute:
 - Commercial combo fee – incorporates structural, mechanical, electrical, and plumbing components
 - Third Party Fee – Premium service to customers utilizing Third Party Plan Review and Inspection services



FY2010 Priorities

Capital Projects

- \$180 million in “active” capital projects
 - \$102 million in conceptual or final design
 - \$47 million in construction
 - \$31 million in project development
 - Additional \$51 million in FY2010
- Goal set to finalize all projects within approved construction schedules (1-2 years)
- 5-7 year Capital Improvement Plan – Complete and present to Mayor and Council

S E R V I C E S O L U T I O N S S U C C E S S



QUESTIONS AND REVIEW





FY2010 City Manager's Proposed Budget

Budget Highlights Revenue Detail

David Almonte,

Office of Management and Budget

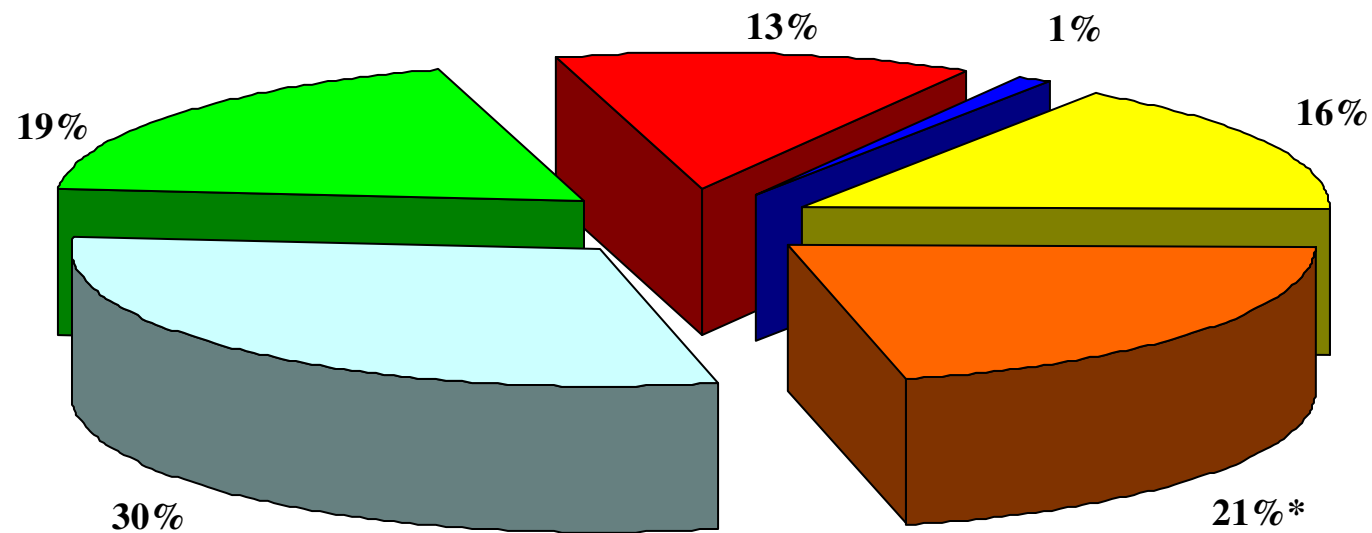


General Fund Major Revenue Sources

	FY09 <u>Adopted</u>	FY09 <u>Projected</u> <i>as of 5/31/09</i>	FY10 <u>Proposed</u>
Property Tax	122,634,672	122,634,672	126,250,000
Sales Tax	70,991,022	65,473,672	69,726,439
Franchise Fees	43,139,604	42,340,418	43,088,342
Municipal Court Fines and Penalties	15,056,090	13,700,785	13,255,538
Licenses and Permits	12,470,375	10,246,139	10,219,901
International Bridge Transfer	11,371,764	9,289,679	10,403,995



FY2010 Proposed All Funds Appropriations by Function



■ General Government
■ Finance*
■ Mobility Services

■ Development & Infrastructure
■ Public Safety
■ Quality of Life

* Includes Debt Service

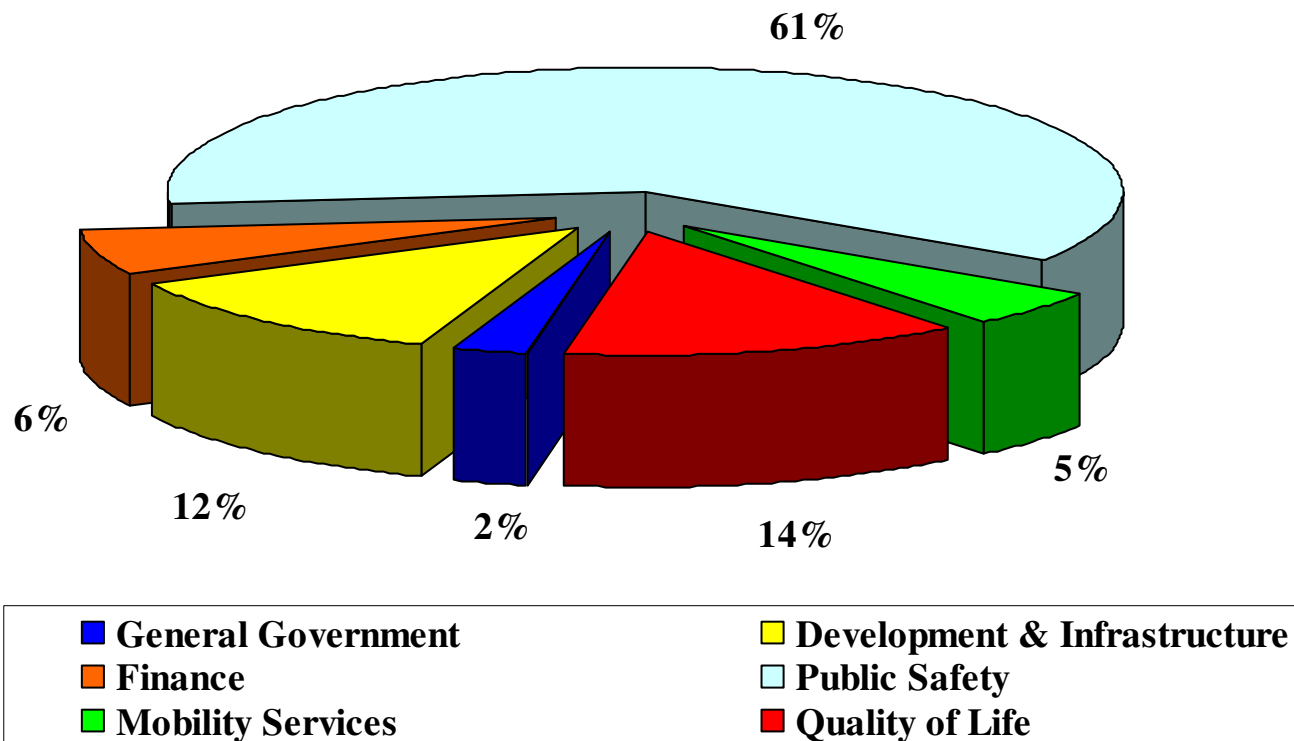


All Funds Key Variances

- ***Environmental Services (\$4,083,341)***
 - Fuel and Indirect costs
- ***Zoo \$1,185,536***
 - Staffing for Africa expansion, capital, security contracts
- ***General Services (\$1,576,523)***
 - Fuel Inventory Purchases
- ***Sun Metro (\$2,007,303)***
 - Fuel
- ***Non-Departmental \$2,538,288***
 - Debt Service
- ***International Bridges (\$896,871)***
 - Transfer to General Fund
- ***Airport (\$12,444,742)***
 - Intra-fund and Fund Balance Transfers



FY2010 Proposed General Fund Appropriations by Function



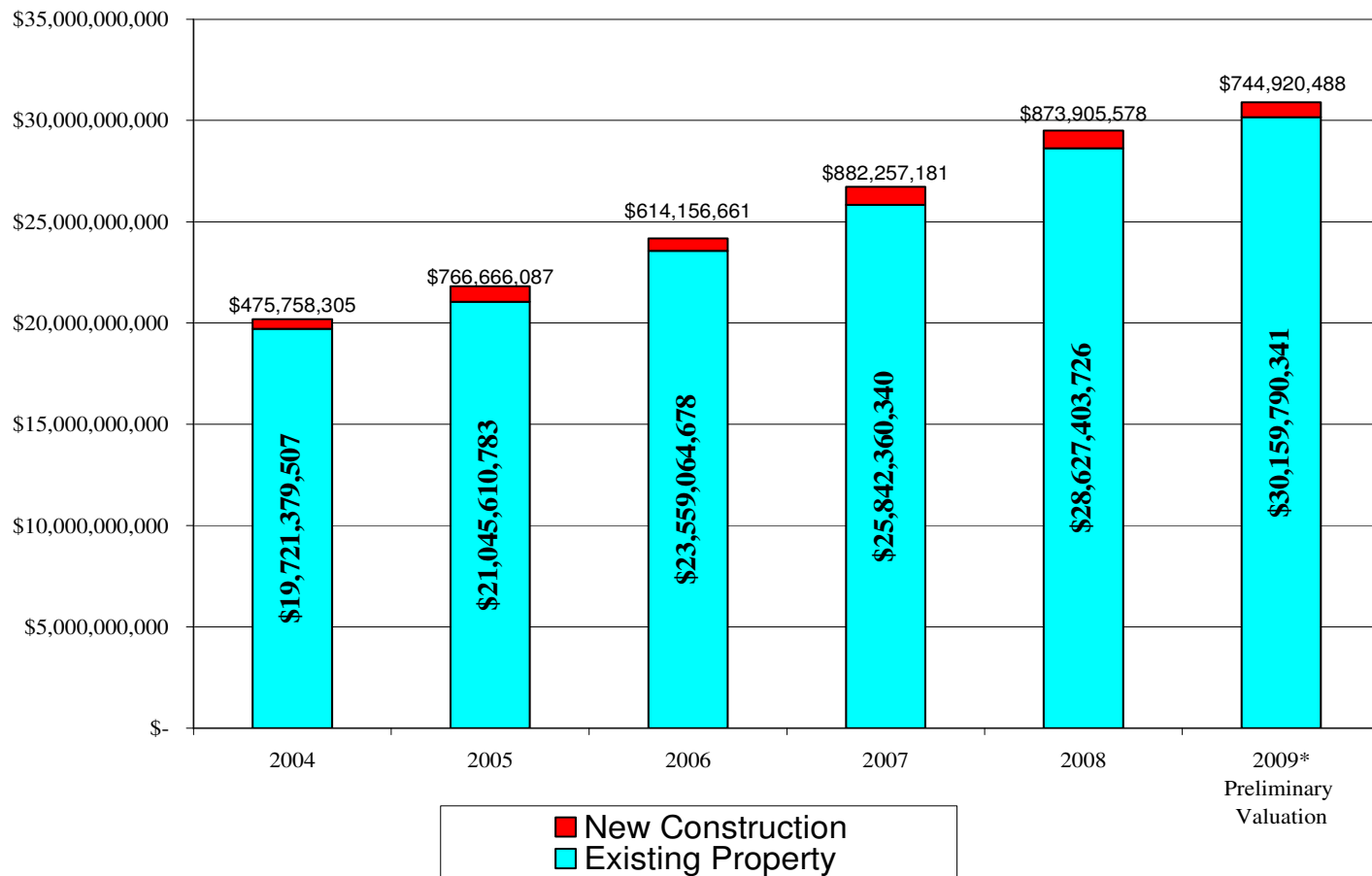


General Fund Key Variances

- ***Police & Fire \$3,127,570***
 - Collective bargaining
 - Reduced fuel and prisoner custody
- ***Parks and Recreation (\$990,711)***
 - Groundskeeping, water, recreational supplies
- ***Public Health (\$721,763)***
 - Reduced funding for vacant positions and clinical/medical supplies
- ***Non-Departmental (\$1,622,813)***
 - Fuel and salary reserve
- ***Street (\$625,134)***
 - Groundskeeping and public access maintenance contracts
- ***Library (\$671,961)***
 - Reduced funding for vacant positions, janitorial contracts, and books
- ***Information Technology \$670,653***
 - Staffing, and license and contract requirements



Certified Taxable Assessed Valuation



*Preliminary Valuation Rec'd 6/23/2009 of \$30,904,710,829



2009 Certified Preliminary Value Estimate

2008 Certified Value	28,627,403,726	
		Percentage Increase over 2008 Certified Values
Preliminary Certified Value Estimates rec'd 6/23/ adj CAD less \$76M TIRZ	30,904,710,829	7.95%
Preliminary Certified Values Reduced 2.50%	30,132,093,058	5.26%
Preliminary Certified Values Reduced 3.00%	29,977,569,504	4.72%
Preliminary Certified Values Reduced 3.50%	29,823,045,950	4.18%
Preliminary Certified Values Reduced 3.75%	29,745,784,173	3.91%
Preliminary Certified Values Reduced 4.00%	29,668,522,396	3.64%
Preliminary Certified Values Reduced 4.25%	29,591,260,619	3.37%
Preliminary Certified Values Reduced 4.50%	29,513,998,842	3.10%
Preliminary Certified Values Reduced 4.75%	29,436,737,065	2.83%
Preliminary Certified Values Reduced 5.0%	29,359,475,288	2.56%
2006 Percentage Change Preliminary to Certified	-7.45%	
2007 Percentage Change Preliminary to Certified	-6.08%	
2008 Percentage Change Preliminary to Certified	-4.74%	
Three Year Average	-6.09%	

Based on preliminary values received 6/23/2009



FY2010 Preliminary Tax Rate

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Estimated O&M Tax Levy	0.429	0.421
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Estimated Effective Tax Rate		0.619

- Based on an analysis of the Preliminary Valuation Rec'd 6/23/2009 of \$30,904,710,829.



General Fund

FTE Positions & Changes by Department

<i>Department</i>	<i>Adopted FY 2009</i>	<i>Proposed FY 2010</i>	<i>Difference Increase/ (Decrease)</i>
City Attorney	38.07	34.70	(3.37)
City Manager	19.10	16.10	(3.00)
Communications	159.00	173.00	14.00
Community and Human Development	8.00	7.05	(0.95)
Development Services	135.10	115.00	(20.10)
Economic Development	14.78	15.68	0.90
Engineering Services	85.12	83.62	(1.50)
Financial Services	51.30	44.68	(6.62)
Fire	884.90	891.07	6.17
General Services	48.80	41.30	(7.50)
Human Resources	41.20	33.20	(8.00)
Information Technology	63.77	63.77	0.00
Library	188.91	171.56	(17.35)
Mayor and Council	25.00	24.00	(1.00)
Municipal Clerk	95.20	88.20	(7.00)
Museums & Cultural Affairs	45.83	43.05	(2.78)
Office of Management and Budget	21.40	18.20	(3.20)
Parks and Recreation	384.00	361.25	(22.75)
Police	1540.89	1511.14	(29.75)
Public Health	137.29	136.00	(1.29)
Street	259.00	249.00	(10.00)
Tax	24.50	24.50	0.00
Zoo	107.20	83.00	(24.20)
<i>FTE Grand Total</i>	<u>4,378.36</u>	<u>4,229.07</u>	<u>(149.29)</u>

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QUESTIONS AND REVIEW





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City Manager	19.10	16.10	(3.00)
Communications	159.00	173.00	14.00
Community and Human Development	58.55	58.01	(0.54)
Convention and Performing Arts Center	0.00	0.70	0.70
Development Services	135.10	115.00	(20.10)
Economic Development	14.78	16.68	1.90
Engineering Services	88.12	86.62	(1.50)
Environmental Services	330.90	330.20	(0.70)
Financial Services	58.80	53.50	(5.30)
Fire	924.40	930.57	6.17
General Services	146.40	139.60	(6.80)
Human Resources	42.20	34.20	(8.00)
Information Technology	65.00	66.00	1.00
International Bridges	54.54	54.69	0.15
Library	193.01	175.56	(17.45)
Mass Transit - Sun Metro	668.46	695.96	27.50
Mayor and Council	25.00	24.00	(1.00)
Metropolitan Planning Organization	13.00	13.00	0.00
Municipal Clerk	95.20	88.30	(6.90)
Museums & Cultural Affairs	62.00	60.50	(1.50)
Non - Departmental	3.35	3.00	(0.35)
Office of Management and Budget	30.05	27.60	(2.45)
Parks and Recreation	390.30	370.57	(19.73)
Police	1626.15	1589.43	(36.72)
Public Health	353.30	358.72	5.42
Street	260.00	250.00	(10.00)
Tax	24.50	24.50	0.00
Zoo	107.20	111.20	4.00
FTE Grand Total	<u>6,229.01</u>	<u>6,142.91</u>	<u>(86.10)</u>